shut-in members of the church at St. Edmonds Episcopal Church in Chicago and St. James Episcopal Church in Houston.

He was selected for Astronaut Candidate training by NASA in May of 2004 and completed training in February of 2006. On STS–129, Dr. Satcher is scheduled to perform two EVAs—space walks—among other assignments. For those who want to follow Dr. Satcher on Twitter, he will be tweeting as astro_bones and ZeroG_MD.

Godspeed to you, Dr. Satcher. Bobby, you have a lot of fans back on Earth, and especially those in Oak Park, Illinois.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. MORAN) is recognized for 5 minutes.

(Mr. MORAN of Kansas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE SPOILS OF WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. In Iraq, after thousands upon thousands of lost lives and hundreds of thousands of disabling injuries, after a trillion dollars of U.S. treasure added to our Nation's debt, after an incalculable amount of U.S. prestige being lost, one aspect about Iraq remains defining: It's all about oil and the spoils of oil across that region.

Exxon, the largest U.S. oil company, with profits totaling $40.6 billion in 2008—a record—just got its first contract inside Iraq. Foreign oil companies like Exxon were thrown out of that country four decades ago when Saddam Hussein nationalized Iraq's oil fields.

Michael Klare, in his prescient book about resource wars, ''Blood and Oil,'' connects the dots. What a shame our world is so primitive, people brutally fight over diminishing resources as global energy extraction giants advantage themselves, far from home, in the wake of our soldiers, tapping largesse these oil giants covet.

Iraq ranks fourth in global oil reserves behind Saudi Arabia, Canada, and Iran. Iraq's central government is now picking winners in the great oil prize bonanza—the ''Iraqi Oil Contracting Rush of 2009.'' Oil has dominated Iraq's economy for generations. Oil has traditionally provided more than 90 percent of that country's exchange earnings, and that is likely to be the case for a few decades to come until it's all sucked dry.

According to the Washington Post, the oil ministry is expected to hold a new bidding round in December for undeveloped fields. Those are also for service agreements. Oil giants hope the deals could one day lead to production-sharing deals, long a goal of energy firms that have been shut out of the Middle East for years.

□ 1545

The oil giants, Exxon-Mobil and Royal Dutch/Shell, signed a $50 billion deal with Iraq to extract oil from the Western Qurna oil field, one of Iraq's largest oil fields located north of Rumaila field, west of Basra in southern Iraq. Western Qurna is believed to hold 11 to 15 billion barrels of recoverable reserve. This prize of a deal gives Exxon-Mobil, Shell and their partners $1.90 per barrel above the current production rate of 2.5 million barrels per day, and they hope to increase production to 7 million per day over the next 6 years, meaning a windfall of $3.1 billion per year.

Are the lives of our soldiers worth it? The giant Exxon Mobil/Shell consortium beat out the other oil giant consortiums, led by Russia's LUKOIL, France's Total and a consortium led by China's CNPC. Dictators have come and gone, foreign armies have come and gone, some still remain.

One thing remains constant about Iraq. Oil is still the big prize. That is why American and European oil company giants going all the way back to the Ottoman Empire have coveted control of their crude. Cynics would even say they have been willing to go to war over it. As we observe the continuing rush to the oil fields by a world that must transition to a greener and sustainable energy future, one must ask the tough question, Are the lives of our noble military going to be expended—for how long?—far away from home to access a resource that is diminishing globally while America's Treasury is emptied, supporting wars in foreign places to tap a resource that, by 2050, will be gone, never to return again.

Civilized people should demand more than fighting resource wars of the past for an oil giant's prizes, for limited remaining time on this planet. It's time to think hard about where we have extended our most precious assets and to say, It's time to come home.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. LINCOLN DIAZ-BALART) is recognized for 5 minutes.

(Mr. LINCOLN DIAZ-BALART of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HEALTH CARE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Louisiana (Mr. CASSIDY) is recognized for 60 minutes as the designee of the minority leader.

Mr. CASSIDY. Thank you, Mr. Speaker. Although you called me ''mister,'' I am actually a physician; and so in my other life—I actually saw patients just yesterday at a public hospital in Louisiana, a safety net hospital where I have worked for the last 20 years. So caring for the uninsured has been my life's work since completing my residency and returning home. I've learned that if you don't pay attention to costs that it doesn't matter how passionate you are for the uninsured; the fact is that you are unable to achieve your goals.

There are three goals of health reform, and they're commonly said to be controlling cost to provide access to high-quality care. In the hospital where I work, a safety net hospital, they are committed, they are so passionate for the underserved folks who are med techs, physical therapists, ward clerks, physicians and nurses. But the problem is, if there is a budget shortfall, then inevitably, services suffer.

So it doesn't matter how passionate we are in our service. The fact is that if there are insufficient resources in the State at the end of the budget year, then services suffer. It may be that the nurse staffing has decreased and hospital beds are closed so that if somebody comes to the emergency room, they have to wait in the emergency room before they're admitted. And inevitably when that happens, the hospital goes into what is called divert, whereas instead of coming to our hospital, they will be diverted to another hospital. That's because if you don't control cost, inevitably, access and quality suffer.

Now, I was struck that President Obama agrees with this. President Obama continually speaks about the need to bend the cost curve down, the need to control costs because if we do not control costs, then our economy suffers and the ability to provide care suffers. Now, it's one thing to say that we're going to control cost in order to expand access to quality care, but you've got to have a plan on how to get there.

There is a company called McKinsey & Company, and on their Web site, they have a great article that you can download called ''The Three Imperatives of Health Care Reform.'' Without achieving these three imperatives, then, we cannot control cost in a way which expands access to quality care. Now the three imperatives that they list are decreasing administrative costs, how much money we put into the

bureaucracy as opposed to patient care, incentivizing healthy lifestyle. Put differently, if people insist on smoking and drinking and if they're too heavy, it doesn't matter how much we throw at health care; we will never control cost because we are always try to catch up with the disease as opposed to preventing it. And, lastly, cost transparency. Someone going in for knee surgery needs to know how much her bill will be before she goes in as opposed to learning about it 2 months later when she gets the bill.

It is important for us, therefore, to achieve our goals of cost containment to provide access to quality care to work through these three imperatives. Now, the bill we just passed, H.R. 3962, on the face of it does not achieve these three imperatives. As an example, if you are going to decrease administrative costs, you don't achieve a decrease in administrative costs by creating 111 new bureaucracies, boards, and commissions. It is just laughable to think that we are going to put that much more money into administration, build that many more buildings, hire that many more people and at the same time say we're decreasing administrative costs.

There is very little in the bill that incentivizes a healthy lifestyle. You can argue that those provisions in the bill that address this weaken the current provisions that we're finding effective. And, lastly, there is not a whole lot that provides cost transparency. Indeed, one of the things that has been used to encourage cost transparency is the use of health savings accounts, and now health savings accounts are being taxed, as they have not been before.

So it's not surprising if these three imperatives are not addressed that we can say that cost is not being controlled. Now, by the way, it's not just me who says that costs are not being controlled. We have here a quote from The Washington Post, and we also have a quote from The Washington Times. The Post article says, speaking of this bill: ''It does not do enough to control costs, and it is not funded in a sustainable way.'' The headline from The New York Times—I think this was November 10—''Democrats raise alarms over health bill costs.'' Democrats are raising alarms over the cost of this health bill. That's so important because if you can look in any health care system, if you don't effectively control costs, eventually access to quality care suffers.

I have been living this for 20 years. In my life, I know this to be true. So here we see from a couple different sources, The Post and The Times, that this bill does not do enough to control costs.

Now, it turns out it isn't just The Post and The Times that have such concerns. There is an article in Reuters, and Reuters says that China is now questioning the cost of our U.S. health care reform. Since China buys so much of our debt, it turns out they have a vested interest in making sure that we have our financial house in order. So to read the article from Reuters: ''Guess what? It turns out the Chinese are kind of curious about how President Barack Obama's health care reform plans would impact America's huge fiscal deficit. Government officials are using his Asian trip as an opportunity to ask the White House questions. Detailed questions. Boilerplate assurances that America won't default on its debt or inflate the shortfall away are apparently not cutting it.''

I think it's important for us as an American people and our country to look at the bill that was just passed that is going over to the Senate and to analyze how well does it control costs. Are the Chinese correct? The Washington Post, The New York Times, are their articles correct? Or does it, indeed, actually control costs and everyone else is a little bit confused about it?

Well, let's go into that. First, remember our three imperatives: you have to decrease administrative costs, you have to incentivize healthy lifestyles, and you have to put in cost transparency. Let's talk about incentivizing healthy lifestyles and how you do so. Now, as it turns out, when the President talks about preventive medicine, one of the kinds of dirty little secrets of this—and as a physician, I can say this—if you are talking about things such as colonoscopy, actually, if we did a colonoscope on everybody over 50, as per the current recommendation, it actually costs the system a little bit more. Now, it's a good cost. If you find a polyp, remove it, and prevent cancer, that is actually a very good thing; but it doesn't save money.

But there are some things you can do that will save money. If you can get someone to stop smoking, it actually saves the system money. It also helps them in terms of their health. If you can get someone to lose weight, it actually saves the system money. General Motors did a study—they have got so many employees, they can do this sort of thing—and they found that for every 10 pounds that an employee lost, that their health care costs went down significantly. If the person had high blood pressure, and they lost 10 pounds, their blood pressure got better. They required less medicine. If they had diabetes, the diabetes became easier to control or in some cases the diabetes would go completely away.

Now, there are ways that you can incentivize a healthy lifestyle. Under current law, companies are allowed to decrease by up to 20 percent the premiums they charge their employees if the employee participates in a wellness program. So, for example, Safeway, which is a large grocery store chain across the United States, had a program where they will decrease their premiums by 20 percent for those employees who participate and attend a smoking cessation program. When they do so, they find that people—surprise, surprise—stop smoking.

Similarly, if someone joins an exercise program or a dietary program if they are overweight and they lose weight—now, frankly, as I recall the way it's structured, is that the person just has to join the smoking cessation program. They don't actually have to stop smoking. But just as it turns out, people, if exposed to information, act on that information, and they adjust their lifestyles. So either by an exercise program, a dietitian or by smoking cessation programs, by participating in these, they will lose weight. And Safeway has kept their costs for their health insurance constant, whereas there has been about a 7 to 10 percent inflation rate over the United States.

I just met with a company based in my hometown of Baton Rouge, Edelmayer, and Edelmayer has been having about a 10 percent inflation rate. But 2 years ago, they instituted a program where they first had all their employees come in for a health assessment. Last year they had all their employees come in for a health assessment—for example, do you smoke, are you overweight, but also a physical exam. Next year they are putting in, as a covered benefit, a smoking cessation program.

Then 2 years from now—this is a 4-year process—they are going to decrease premiums for those that participate in these smoking cessation programs. Their premium costs, which have been increasing 7 percent to 10 percent per year, are projected to only rise 3 percent per year when they institute the full program. So by putting in or incentivizing healthy lifestyles, they're going to lower their inflation rate to 3 percent per year.

Now, H.R. 3962 actually weakens these provisions. Republican amendments offered in committee would have increased the amount an employee could save if she participated in a wellness program, but these were defeated basically on party-line votes. Similarly, there is a disassociation in H.R. 3962 from what a company can do to incentivize healthy lifestyles and how this provision works.

As an example, H.R. 3962 requires that a company pay at least 72.5 percent of an employee's insurance premium. Well, if you've got to pay at least 72.5 percent, that limits the amount you can decrease in order to incentivize somebody to participate in a wellness program. Now, the way you could say it is, if someone participates in a wellness program, you would pay 72.5 percent, but if they do not, you are allowed to decrease your contribution to 68 percent.

□ 1600

Now, remember, I'm not saying they have to stop smoking; I'm just saying they have to participate in the wellness program to stop smoking. So there's a key difference. Some people will not be able to, but most people, if given the facts, will be able to do so. So if one of our three imperatives of lowering health care cost is to incentivize

healthy lifestyles, we actually see some of the programs which are now working well are gutted or made less able to work effectively under the bill that we just passed.

Now, we're never going to control cost if we do not incentivize a healthy lifestyle. As a physician, I will tell you that part of what is driving the cost of health care in the United States is the cost associated with diabetes, high blood pressure, heart attack and stroke. The prevalence of these diseases is so much more in our country relative to Europe that there's at least one article out there that suggests that the entirety of the cost differential between the United States and Europe is because the increased expense of treating these diseases such as diabetes, hypertension, high cholesterol, stroke, heart disease; they all kind of go under the term of a metabolic syndrome, if I'm allowed to speak like a physician.

And so if we're not going to get a handle on these, if we're not going to incentivize a healthy lifestyle so that we're not treating the disease on the back end, as opposed to preventing it on the front end, then we will never achieve one of our principle three goals, which is to control cost, because, again, working in a public hospital for 20 years, I've learned, if you do not control cost, you do not have the adequate resources to expand access to quality care. And according to the independent sources, The Washington Post, The New York Times, China, this cost, this bill before us has significant issues as regards its ability to control costs.

Indeed, Centers for Medicare and Medicaid Services, called CMS, the Federal government's already paying for Medicare, which is the health care program for folks 65 and above, and a large amount of money for Medicaid, which is the State Federal program for the poor in each State. And there is a new study, the Centers For Medicare and Medicaid Services, that finds that the health care reform bill recently passed in the House of Representatives will increase health care spending to 21.3 percent of our Gross Domestic Product, compared to 20.8 percent under current law, bending the curve the wrong way.

If the President says that if we do nothing the status quo is such that costs will double, as it turns out, under the reform package passed a week ago in this Chamber, costs more than double. As crazy as it sounds, the reform bill we passed, according to the independent Centers For Medicare and Medicaid Services, the reform bill costs more than the status quo. And I keep saying that because the President said we've got to have reform to control costs. And according to the Federal Government, our reform costs more than the status quo. At a minimum, reform should not cost more than the status quo. We shouldn't bend the curve the wrong way. We should bend the curve the right way.

In addition, the CMS study gives a clearer cost estimate than the one previously given by the Congressional Budget Office. According to the CBO, the 10-year cost of the plan was $894 billion. But the analysis included earlier years of very little government spending. According to the Center for Medicaid and Medicare Services, the House approach will cost $1 trillion from 2013 to 2019, or some $140 billion a year when put into effect.

So, in 7 years, it will cost $1 trillion. Clearly, if the goals of health care reform are to control costs so that we can expand access to quality care, according to our government, the Chinese government, two prestigious newspapers, this bill did not do so. What does it do? Well, one thing it does is it takes power away from patients and it turns it over to the Federal Government. Now, it's going to sound like rhetoric, so let me elaborate. Again, as a physician who's worked for 20 years with the uninsured, I've learned that when you put the patient in the middle of process, if you say the most important person here is the patient, then actually, you tend to lower costs and have healthier patients.

If you think about it, that program which lowers someone's premiums 20 percent if she participates in a wellness program, it puts the responsibility for someone's health on the person with the greatest ability to make a change—that is the patient. If she is financially rewarded for having a healthier lifestyle, as it turns out she'll have a healthier lifestyle. We, as a society—not only will she be healthier, she will have lower costs and, frankly, those lower costs, among millions of patients, if you will, lowers the cost for the system.

There's one way to explain this. There's something in the Republican proposals called health savings accounts. Now, in a health savings account, you put the patient in the middle of the process in the following fashion: A health savings account takes the money that a family would normally spend for a health care premium. It sluices off a portion of it and puts it into a bank account. So if with a traditional insurance policy, at the beginning of the year, a family of four puts up $12,000, if at the end of the year they've not seen a doctor, well, they've put up another $12,000 for the next year. At the end of the year they put up another 12,000, and every year they put up another 12,000. In a health savings account you sluice off a portion, and you put it into an account.

Now, that money comes from the money you'd ordinarily be spending for a premium. But instead of spending it for a premium, you put it in this bank account. And instead of asking the insurance company to pay for a flu shot, you pay for it out of your bank account. Instead of asking for the insurance company to pay for your arthritis medicine, you'd pay for it out of your bank account. The advantage is, at the end of the year, if you have money left over, instead of losing it, it rolls over until the next year. Or, if you have a family member whose costs are excessive, you can donate portions of your health savings account to your family member.

And so, with that money, it is money that you are incentivized to spend wisely. I'll give you an example. Two patients come to mind, or three patients. There's one patient who's got a traditional insurance policy, and a very nice woman. And she's got an expensive policy but she's a woman of means and she can afford it. And she says, I never look at the bill. If the doctor writes me a generic or a name brand drug I don't care. My insurance pays for it. When I get a bill from the hospital, I don't look at it. The insurance pays for it.

And so, because the insurance pays for everything, she likes her insurance policy, but she's got the money to pay for it. Contrast that with someone like the gentleman I'm about to describe. We're talking about health savings accounts. He goes, I have a health savings account. I went to my doctor and my doctor wrote me a prescription for a medicine that I knew by experience would cost $159. Now, notice, he didn't say $160. He said $159, because he's paying for this out of his account. And he said, my doctor wrote me for this medicine for $159. I said, Doc, I have a health savings account. Do you mind writing me for something cheaper? And the physician said, I'm sorry. You have an HSA, and he tore up that prescription and he wrote him for a generic.

Now, you can say, why didn't the doctor write for the generic in the first place? He probably should have. On the other hand, who is most responsible for an individual's health? The person most responsible for an individual's health is that individual. And so, just like if I were to go to Target or Wal-Mart and say, okay, I'm going to buy school uniforms for my children, it's really not Target's responsibility to prove to me that they are cheaper than Wal-Mart. It's my responsibility to see who's cheaper and then to go to the place that gives me the best value for my money.

So it puts the responsibility where probably it most rightfully should be. And frankly, with that responsibility, the man responded. Instead of getting a medicine that costs $159, he got a medicine that cost $20. The system saved $139. If you multiply that across the millions of transactions, then this system saves millions and even billions of dollars.

Now, we have just gone from the anecdote of an individual patient. Let's talk about a study. Kaiser Family Foundation, a little bit of a left of center group, but a good group, did a study where they compared the cost for a family of four which had a health savings account with a catastrophic policy on top, so if they have a terrible illness like a liver transplant that exceeded

the amount of money in their account, the catastrophic policy picks it up on the top end. They compared it with the cost of a traditional insurance policy for a family of four. They found that the family of four, with the HSA, the health savings account, and the catastrophic policy on top, they found that that family's cost of that HSA and catastrophic policy was 30 percent cheaper than the cost of the traditional insurance policy for a family of four. And they found that both families used preventive services as frequently.

So what we have here, if our goals of health care reform are to control cost, to expand access to quality care by lowering premiums, the Kaiser Family Foundation found that the family with the HSA and catastrophic policy, their policy costs were 30 percent cheaper compared to traditional insurance.

They also found that 27 percent of those people who had an HSA and a catastrophic policy were previously uninsured; that 50 percent of people with these sorts of policies had family incomes of $50,000 or less, and that about 60 percent of such families had family incomes of $70,000 or less.

So, by controlling cost, the HSA catastrophic policy, 30 percent cheaper, by controlling cost, those people who were previously uninsured, 27 percent of the folks with these HSAs were previously uninsured, were able to now purchase insurance, and with this insurance they access preventive services as frequently as those with traditional policies. So the goals of reform were achieved. Lowered cost, expanded access to quality care.

I've been joined by a colleague of mine who is also a physician, a family physician, also a small businessman. And Dr. FLEMING, we're discussing costs and how control of cost is so essential to expanding access to quality care. Do you mind sharing the anecdote of that employee, when your group went to HSAs, because I want to show how the two things I've discussed so far have been how you can incentivize healthy lifestyles and control costs by decreasing premiums, if you will, and also how health savings accounts, by directly connecting people with costs, can also be cost savings. Your anecdote combines those two. Can I ask you to share that?

Mr. FLEMING. Sure. I thank the gentleman, Dr. CASSIDY, my colleague from Louisiana for doing a Special Order today, an opportunity to speak on that very subject. Yes. What you're referring to is a case in which my companies, my nonmedical companies, seeing health care premiums rising an average of 10 to 15 percent per year, we found that to be an unsustainable increase. And we began to analyze what are the choices, what are the options. Maybe we would pay less of the premiums, perhaps we would just stop insurance all together. We really weren't sure what we could do.

And then I recall something that at that time was a brand new concept, and that is a health savings account, where you lift the deductible of the policy to a higher level, saving a premium cost, but then, in turn, put the incremental increase that comes up to what the premium would be into a health savings account. So we began that about 6 years ago. We brought the deductible up to about $3,000. And employees would get as much as $50 a month put into their health savings accounts where they could purchase any health care service or item they needed, pretax.

□ 1615

In explaining this to my employees, however, as we gathered together, I wanted to make sure everyone was on the same page. I suggested to them that this was the way we probably would want to go, but I wanted to get the input as to what their concerns might be.

We had a lady who said, ''Well, you know, the problem with this is my inhalers. If I have to pay for them out of my pocket or my health savings account each month, it is going to cost me $100, maybe $150 a month. And true enough, this would come out of my health savings account, but I don't know that my health savings account would be able to withstand that.''

So I said to her, ''Well, let's think this through. Perhaps you should consider doing a smoking cessation program, stop smoking altogether. You could throw away all of your inhalers; you would save money on the cigarettes; you would save money on the money accumulating in your health savings account.''

Mr. CASSIDY. If the gentleman will yield.

Mr. FLEMING. Sure.

Mr. CASSIDY. By connecting her with costs, if you will, you are incentivizing a healthy lifestyle.

Mr. FLEMING. Basically, you're absolutely right, Dr. CASSIDY. What we are really doing is saving her money and saving her life because there is no question there is direct correlation, an inverse correlation, between the use of tobacco and health. By the same context, if you stop smoking, then life span increases.

So we found in very real terms that it saved premium costs—both to the employer and to the patient—by instilling the health savings account and attaching behavior with costs. And even today, we received notice on our most recent new policy for the coming year. The increase was 3½ percent, which is really amazing when it comes to health insurance policies.

Mr. CASSIDY. If the gentleman will yield.

You said that all of your employees in your group are on health savings accounts now?

Mr. FLEMING. Yes.

Mr. CASSIDY. We sometimes hear that health savings accounts are only for the wealthy, yet you've heard me quote that study that found that 27 percent of people with HSAs and catastrophic policies were previously uninsured.

And so as I know—and I'll yield back now—your business is a service business so I assume that people are of moderate income, and yet this is the policy that they have all chosen. So unless you tell me that all of these folks are wealthy, I will assume indeed this is something that works for middle America.

Mr. FLEMING. This is a fast food business. It's a steep pyramid which means you have a wide base of entry-level employees and then middle management and then just a few high-income folks. Remember, the employer is putting the money into the health savings account. That doesn't mean that the patient or employee can't also put some money in, but the lion's share was put in by us. And now after 6 years or so, those who have taken good care of their health and not wasted the health care dollars now have saved as much as $15- to $20,000 in their family health savings account which is triple, if not quadruple, what the deductible is on their health policy.

Mr. CASSIDY. So what you've told me is that families have been incentivized to be wise with their health care dollars, and at the end of every year, instead of losing that dollar, it rolls over and it accumulates. Now they put that much less money for the following year. For those particular families, their cost of insurance, if you will, is decreasing annually, I would assume.

Mr. FLEMING. Of course the premiums stay even. But what happens is the cash accumulates and it accumulates to the point where there is essentially no deductible, no copayment. Whatever health care needs you have, there is always plenty of money in the bank.

What's also interesting is for whatever reason you get out of that plan and went to something else—let's say you hit 65, you went to Medicare; let's say you just decided you didn't want to have insurance anymore, whatever reason—you still keep that money. It is still there for you for health care needs. And you can use it indefinitely no matter what other health plan you might be on.

Mr. CASSIDY. If I can contrast your patient-centered approach where you put the patient responsible, the person most responsible—the patient, your employee—in charge of the dollars she would spend for her health care and in so doing she responded in rational economic way. She didn't want to spend money on inhalers so she stopped smoking, so therefore she stopped needing inhalers and the whole system saved money.

Contrast that with the bill that we passed a week ago in which now there is going to be a tax on health savings accounts.

So the example I gave, if I may continue, is where the patient asked for an

over-the-counter generic instead of the prescription medicine knowing that the one was as good as the other, and one costs $20, one cost $39, and yet now by the bill that was passed by our colleagues on the Democratic side of the aisle, we are now going to tax the purchase of over-the-counter medicines when that purchase is made with a health savings account. It seems like we're going backwards in terms of incentivizing people to use less costly drugs.

I yield to the gentleman.

Mr. FLEMING. Congressman CASSIDY, I have looked at this for many years in terms of being a family physician figuring out how to get the best cost care to a patient delivered—and I am sure you have in your specialist role—but also as a business. And I have concluded over the years there are only two ways to control costs in a health care system: either you do as we just discussed, you have the doctor and the patient have a stake in the cost controls for themselves or at least particularly for the patient, in which case as a dividend; you have cost savings throughout the system; or you create a giant, highly bureaucratic system that engineers, micromanages life behaviors from top to bottom in which there is no connection between a patient and his or her behavior—or cost, for that matter—and for that system to be effective—because we see an exponential growth in consumer purchase behavior—and the infinite desire for value coming out of the system, whoever is putting the money in it, we as consumers always want to get as much out of a system as we can, especially when we are not putting anything into it.

When you have that scenario, then it puts an intense demand on the controlling entity which in this case is the Federal Government. It puts an intense pressure and burden to figure out ways of controlling costs, and there is only one way at that point to do it: that is long lines and rationing. That is the only way any system of that size has been able to control costs.

Mr. CASSIDY. Now, on the other hand—let's be fair to this bill—it does attempt to pay for its exploding costs.

Before you walked in, I mentioned the Centers for Medicare and Medicaid Services found that the bill that was passed—although 39 Democrats joined Republicans in opposing it, it still passed on basically a party-line vote—that because of that bill, health care spending will increase to 21.3 percent of our GDP compared to current law; 20.8 percent would be under current law. And bending the cost curve the wrong way, if you will, or bending the cost curve up, we are yanking on that thing. But on the other hand, they do attempt to pay for it.

If the gentleman will allow me to go forward. They are creating $730 billion in tax hikes. Some people have called this a tax bill disguised as a health care bill: $460 billion tax on small businesses and high earners; $135 billion employer-mandate tax; $33 billion individual mandate tax. You mentioned how you are a small businessman as well as a physician.

I am going to yield to you and ask you if you can comment on how these taxes would affect you as a small business person.

Mr. FLEMING. It would have a tremendous negative impact. First of all, if for whatever reason—let me back up a second.

This health care bill provides that whether it is a public option, a government-run insurance, or whether it's a private insurance plan, they all have to go through an exchange and meet certain minimum requirements and certifications. Every constituency out there is going to be knocking on our doors in Washington wanting their aroma therapies, their massage therapies, and everything else which is going to make the minimum requirements go up and, therefore, the cost.

I, as a small business owner, when I am having to decide about purchasing these required minimums and mandates, at some point I may say I can't afford it, in which case I will have to opt out of the health care plan but I will still have to pay an 8 percent of payroll tax or up to 8 percent payroll tax.

So even not covering my employees will lead to higher costs. And as soon as my costs go up, my profits go down, my ability to sustain business will fade, and the first thing I will have to do is lay people off or certainly not hire people.

Mr. CASSIDY. So lay people off. It is projected, I see, using the methodology of the White House Council on Economic Advisors, that the tax hike, $730 billion in tax hikes to address this cost—which, by the way, inadequately addresses it—would kill 5.5 million American jobs.

Mr. FLEMING. If the gentleman would yield for one other point on that.

The taxes on the business doesn't stop there. With the Bush tax cuts expiring very soon, the marginal tax rates will go up from 35 to 39 percent and then this bill provides for another excise tax of over 5 percent. So marginal tax rates on small business owners will increase from 35 percent to 45 percent plus the 8 percent that we talked about, taxes that will occur on payroll even if the employer does not have or are able to purchase health care insurance.

So just an explosion of costs without any return on investment. And therefore, the business owner, in order to remain competitive, will have to reduce his workforce.

Mr. CASSIDY. So there's mandates on businesses and individuals, there is a loss of freedom; there's $730 billion in new taxes, and there's 5.5 million American jobs lost.

Mr. FLEMING. Yes.

Mr. CASSIDY. That is a trifecta of disaster.

Mr. FLEMING. Absolutely.

Mr. CASSIDY. I see we've been joined by Congressman SCALISE. I will yield to the gentleman from Louisiana.

Before doing so, I'll say we have been discussing costs; how the Washington Post, New York Times, the Chinese Government, Centers for Medicare & Medicaid Services have all expressed doubts that this bill will control costs. And frankly in fairness there were 39 Democrats that voted against this bill. Some of them also expressed concerns regarding this cost.

I'd like to yield to you for your thoughts, please.

Mr. SCALISE. I want to thank my colleague from Baton Rouge—in fact, both doctors from Louisiana who have exhibited so much leadership on this broader issue of health care reform. But I think, as you've pointed out, what so many Americans are finding out now as they are looking at more and more of the details of that 1,990-page bill that we opposed but unfortunately passed the House a week and a half ago, is they're realizing not only all of the taxes, as you pointed out, over $700 billion new taxes that would cripple small businesses and families, the $500 billion in cuts to Medicare that our seniors know will lead ultimately to rationing of health care and other devastating consequences.

When this whole debate started, it was about lowering costs of health care. Now they're realizing that Speaker PELOSI's 1,990-page government takeover of health care will actually lead to increased cost for health care, which is the ultimate irony and really the ultimate kick in the teeth to the American people who want—as we want—real health care reform to lower cost.

In fact, the alternative bill that we presented here on the House floor where we had a record vote here on the House floor that same day that Speaker PELOSI's bill passed, our bill actually would have reduced health care cost by 10 percent scored by the Congressional Budget Office, would have had no absolutely no tax increases, no cuts to Medicare; but on the other side, we're seeing more and more now how many costs are now increasing. In fact, we just saw a report come out earlier this week that showed that prescription drug prices have increased this year by 10 percent because some of these drug companies that supposedly are going to help out with lowering costs, what they did was they jacked up their costs 10 percent this year to accommodate for the increased cost down the road by Speaker PELOSI's government takeover.

So not only are all of our families across this country that have health care that they like, realizing that the bill will actually take away, potentially, their health care, it will also lead to higher health care costs overall and even higher prescription drug costs. So it is really a double whammy for American families who were expecting something completely different

from this Democratically controlled Congress.

Unfortunately what they're seeing is a 1,990-page government takeover of health care that raises taxes, cuts Medicare, and they'll increase costs for health care, which is just the opposite of what Americans were promised.

So it is a very big disappointment as more details come out. Hopefully, we can stop this from actually becoming law so that we can do real health care reform to address pre-existing conditions, to bring in more competition so families can buy across State lines, have true competition, have portability to take their health care with them, and have medical liability reform which we actually put in our bill which would have reduced costs saving American families millions and millions of dollars every year.

□ 1630

Mr. CASSIDY. There are a couple of ironies here. One irony is that we were told we had to do this to control costs, yet we see it does not do enough to control costs. The GDP amount going to health care will be more under this bill.

The other irony, we were told we had to do this to preserve jobs, yet it is estimated that we will lose 5.5 million jobs related to the $730 billion in taxes in this bill.

Mr. SCALISE. On that issue of jobs, we are seeing more and more on the stimulus bill, the so-called stimulus bill that we also opposed, a bill that added another $787 billion to our national debt, was completely financed on the backs of our children and grandchildren. I noticed and I am sure my colleagues from Louisiana will be happy to find out, when you go to the White House's Web site, Louisiana has 15 different congressional districts and they talk about the jobs that were created by the stimulus bill in Louisiana's Eighth Congressional District, and the only problem, and you are laughing and it is almost comical, while they talk about on the White House's Web site all of the jobs created by the stimulus bill in Louisiana's Eighth Congressional District, Louisiana only has seven congressional districts. In fact, when we looked across other States, we were seeing the same exact thing.

So there is a whole lot of not only deception, but fraudulent numbers being reported on the White House's own Web site about jobs that were created in districts that don't even exist in this country. And it was using money that doesn't exist because it was borrowed from our children and grandchildren.

Mr. FLEMING. I want to add that apparently Puerto Rico and, I believe, Guam or Northern Mariana Islands had the 99th District, which I don't think they have but one district, but they are already up to 99th District with all of the jobs, the fake jobs, the artificial jobs that were created.

There is really, again, a two-tiered approach to increasing aspects to care. One is to do what this bill that just passed does, and that is to say we are going to cover as many people as we can and we will worry about costs later on. Another would be to attack cost first, create a more efficient system, such as we talked about a little earlier, and then organically you are able to cover more people because there is more money to go around.

So I really am concerned that we have started off in the wrong direction here. Of course, the Senate has some kind of bill, although we haven't seen the details of it from the majority leader, but I think it still attacks this whole problem in a sort of government takeover way.

If you look at the statistics, Mr. Speaker, what you find is that the American people oppose, and it depends on which poll you look at, but either by a slim margin or by a large margin, they oppose the government takeover of health care. The American people get it. Republicans in the House and in the Senate get it, so why can't the White House and the Democrats in Congress get that government has never proven to run anything well when it comes to a business-like, cost-effective, and efficient manner. So why are we going to take over one-sixth of the economy and do just that?

Mr. CASSIDY. I think that was the message from the town hall meetings in August. In August, the people spoke. They came out in droves to say we want reform, but we want reform that doesn't concentrate power in Washington, DC, doesn't raise taxes by $737 billion and still does not do enough to control costs, doesn't kill 5.5 million jobs. No, we want something which you and I would call patient centered, something which recognizes there is a heck of a lot of money in the system now. If we just create the economic model in which people are incentivized, as your employee was, to live a healthier lifestyle, thereby saving her and the system money, thereby saving small businesses money, we can accomplish something.

So I think the American people spoke loudly and clearly in August. The only question is will they be heard.

I will compliment my Democratic colleagues. Thirty-nine of them heard and joined with Republicans voting against this bill which sacrifices personal freedom, which increases taxes by $737 billion, which is estimated to cost 5.5 million jobs and still does not control costs. So I think the American people are, frankly, where you and I are.

Mr. FLEMING. We covered the cost that is going to occur to small businesses and to individuals, perhaps those who opt out of insurance, having to pay 2.5 percent of their adjusted gross income or a $250,000 fine or 5 years in prison. But what about the States? You know, the States, Mr. Speaker, cannot have legal counterfeiting of money the way we in Congress do. They can't create a currency that doesn't exist. And all of a sudden we have a mandate by increasing Medicaid from 100 percent of poverty to 150 percent of poverty.

Mr. CASSIDY. Reclaiming my time, just for those watching who are not familiar with Medicaid, Medicaid is the program where States put up some money and the Federal Government puts up other money and it covers the poor. Right now in many States they are either having to raise taxes to cover the cost of it or cut back services to the poor. And yet what this bill does is says that you shall, the States shall increase the percent of their population that they are paying for medical services with Medicaid. The Federal Government will pay for a portion of that, but not all, and the State taxpayer has to pay the rest.

In our State, Louisiana, it is estimated that will cost $610 million extra State dollars that will come out of roads and highways and schools. I think Schwarzenegger in California said $6 billion for California.

Mr. FLEMING. Yes, and that money is not going to come off the backs of our children and grandchildren as it does here in Washington. That is going to come directly out of taxpayer pockets. That is going to be roads that aren't going to be built, bridges that aren't going to be built, projects that aren't going to go forward, things that would stimulate job production. That is money sucked out of the economy.

And remember, as you expand Medicaid to higher and higher income levels, you are pulling people off of private insurance where premiums are being paid by employers and the families, to some extent. You are pulling them into Medicaid which is now 100 percent government paid for. And again, we are concentrating power in the government and cost on top of the taxpayer, really a terrible combination of things in an era where we are looking at pushing above a $12 trillion limit where our deficit spending has quadrupled within 1 year, where even the Chinese who lend us the money we live off, our credit card, if you will, have become terrified of our spending as well. I don't know where this ends, Mr. Speaker.

Mr. CASSIDY. I think people back home are concerned that in this Chamber we are too partisan. That is why I am trying to make it a point to not speak from a Republican viewpoint, but to quote The Washington Post and The New York Times, which says that this bill does not do enough to control costs. To quote the Centers for Medicare & Medicaid Services, which is a Federal agency: In aggregate, we estimate that for the calendar years 2010 through 2019, national health expenditures will increase by almost $290 billion.

Most of the provisions in H.R. 3962 that were designed in part to reduce the rate of growth and health care costs would have relatively small savings.

Again, some of my colleagues, Democrats, said: I fear this bill will not reduce long-term costs and our debt and deficits will suffer and balloon in the years ahead.

Another Democrat colleague: My primary concerns have been that the legislation does little to bring down out-of-control health care costs, which is what burdens families and small businesses and also leads to our skyrocketing budget deficits.

The Congressional Budget Office, an independent agency, says that the cost has grown at about 8 percent per year, which more than doubles cost. If you compound 8 percent per year, when the President says the cost of doing nothing is that the cost will double, in this case the cost of doing this something, costs will more than double, according to the Congressional Budget Office.

On balance, during the decade following the 10-year period, the bill would increase Federal outlays for health care and the Federal budgetary commitment to health care relative to the current amount. That does not include the State dollars that we have been referring to.

Mr. FLEMING. What we are talking about may sound theoretical, but we actually have a model by which, on a much more microscopic level—we actually have many, but one that I think is the best is Medicare itself. Medicare is a government-run health care program. Those who are served by it like it, but there is a good reason why they like it, because they get a lot more out of it than what they actually put into it. It is heavily subsidized in different ways. It is running out of money. I believe the estimate today is that it will be completely out of money in 8 years. The cost today, the annual cost of Medicare is exponentially greater, magnitudes greater than the estimates ever were in the past. It has always run much higher in cost than was ever predicted. And yet, we somehow think we are going to be able to take a much larger health care system controlled by a much larger governmental set of agencies, 111 new bureaucracies and mandates, and that what we couldn't do with a much smaller system that was a lot less complex, somehow we are going to miraculously do with a much bigger, more costly system. And even if it didn't, we don't have the money as it is. We are living on our future, our descendants, if you will. We are living off their dime at this point.

Mr. CASSIDY. We have spoken about the irony, about how the bill we have to pass in order to control costs is more expensive than status quo. We spoke about the irony about the bill we had to pass to rescue jobs will cost 5.5 million American jobs.

There is another irony here. Medicare, a great program but going bankrupt in 7 years, according to the folks that run it; Medicaid, another Federal program which is bankrupting States, is now going to be rescued by a third public program which is based upon the one and expands the other. So two going bankrupt or bankrupting will be saved by a third which builds upon those first two.

To go back to Scripture, you are building a house upon a foundation of sand. In this case, it is a fiscal foundation of sand which should concern us, as it concerns newspapers like the Post and the Times which wonder if it does enough to control costs.

Mr. FLEMING. It is clear that all of these things—Medicare that exists today, running out of money; Social Security that exists today, running out of money; Medicaid already out of money and bankrupting States; jobs, killing jobs, and jobs are what keep our current health plans in place; $13 trillion in debt and rising—many, many dollars spent right here in this House that we have absolutely no way of paying for, and we see a confluence of events here, costs that are coming rapidly together that very quickly just the interest alone will begin to squeeze out all of the other services that we look to government to help us with, like common defense.

What are we going to do when we don't have the money to protect our country both internally and externally? What are we going to do when we don't have money for some of the programs that we use as kind of a safety net for Americans today who don't make enough to live off of, or used to be employed but became unemployed because of our spending? What are we going to do? We have to change direction.

I just spoke at a TEA party this weekend, and people are absolutely—they are past angry. They are actually terrified at this point.

You mentioned, Dr. CASSIDY, this summer, all of the town halls, and of course TEA parties have sprung up during that period of time. I think we have to look at that as sort of the canary in the mine shaft. That is the early warning sign that the citizenry out there is fed up with the irresponsible spending that we are doing here. It is time we begin to look at reinstating individual choice and individual freedom rather than the government controlling and micromanaging our individual lives and taking our own money away from us to give back to us in order to control us.

Mr. CASSIDY. I think the point just hit upon, we all want reform and we know the goals of reform are to control cost and to expand access to quality care.

Now, there are some who think that to do that you have to sacrifice freedoms, you have to raise taxes, kill jobs and still not control costs.

□ 1645

But you and I know from our practice and our life experience that you can do it differently. You can actually increase freedom by giving that person the ability to control her account that she can use to spend or not spend, to seek value. In so doing, you lower the administrative costs. You kind of cut the insurance company out of the deal because now she has her own account, and she doesn't have to submit a payment claim. She just pays for it with a debit card.

You can control costs in a patient-centered way, one that incentivizes a healthy lifestyle. And in so doing, the patient becomes healthier; and by becoming healthier, you control costs, not by 111 different bureaucracies, boards, and commissions. It stays with conservative values of individual responsibility, limited government, and free enterprise. It actually works in this segment of our economy as it does in every other segment.

I yield.

Mr. FLEMING. I thank the gentleman. I absolutely agree. And, again, it looks like, from what you've presented today, The New York Times, The Washington Post, and I read today from Reuters, and CMS just came out—all of these groups, very nonpartisan in many cases, and certainly no one can say that The New York Times is a Republican or even conservative publication—all of these groups, these publications, these boards, editors are coming out with great anxiety over the cost of this.

And you might say, well, why are they complaining after the fact? Well, remember that we debated for weeks on H.R. 3200, but we only had 1 day really to vote on H.R. 3962, which really doubled in size and doubled the number of bureaucracies virtually overnight. And I think now that all the celebration is over in the House, we may have a little hangover going forward.

Mr. CASSIDY. I think that people are waking up. Again, if we're going to achieve our goals of reform for all, health care accessible and at affordable costs, you can't have it with a program which drives up costs and drives up costs despite the high taxes and the loss of jobs. So we're not through yet. The American people still have time to weigh in on this, to weigh in as the bill goes through the Senate side and then comes back to conference.

But what I challenge the American people to do is to do as they did in August, to contact those Representatives that voted for this bill and express their concern regarding the cost, the taxes, the loss of jobs, but also to contact their Senators and to say that they want reform, but they want reform that doesn't kill jobs, raise taxes, or deprive us of personal freedom. I think in that way we can have a bill which serves the American people without sacrificing our values.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2781, MOLALLA RIVER WILD AND SCENIC RIVERS ACT

Mr. ARCURI, from the Committee on Rules (during the Special Order of Mr.